

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:

CHAPTER 11

HAM'S RESTAURANTS, INC.

CASE NO. 09-09233-RDD

Debtor.

MONTHLY REPORT OF CORPORATE DEBTOR IN POSSESSION/TRUSTEE
FOR THE MONTH OF 11/26/2009 – 12/23/2009

I. Summary of Business Operations:

1(a). Please summarize Debtor=s activities for the month:

Normal Operations

(b) Did operations meet the Debtor=s expectations/projections this month? If no, what affected profitability?

No, unemployment is higher and sales are down, the economy is very sluggish.

2. Did the Debtor have any significant receipts or disbursements this month that were one time only, that will not necessarily occur in each month going forward? (i.e. receipt of insurance proceeds, receipt of refunds, payment of annual or quarterly premiums, large repair expenses, etc.) If yes, please describe:

Payment of M/C Visa class action settlement \$21,655.00.

3. Does the Debtor expect to make any changes to its business in the next 30 days? If yes, please describe:

Yes, we are preparing to ask court permission to add a CPA consulting firm to get our accounting in order and our retorting done correctly and on time. We are still working on trying to lower rents and possibly closing some stores.

II. Summary of Chapter 11 Activities

1. Were any transactions this month outside of the ordinary course of business? (I.e. sale of property, loans from third parties, large purchases, etc.) If yes, please describe:

No

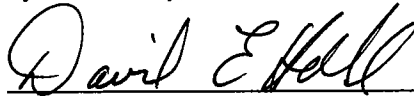
2. What steps has the Debtor taken toward reorganization or liquidation?

We reorganizing our Regional Directors and working on new menus.

I declare under penalty or perjury that the information contained in this report is true and correct to the best of my knowledge and belief.

Respectfully submitted this 4 day of February, 2010.

Ham's Restaurants, Inc.



David Hall
President

Attorney for Debtor



William P. Janvier
Rebecca F. Redwine
PO Box 911
Raleigh, NC 27603
(919) 755-0025

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR October 22, 2009 – November 30, 2009
PART A:**

CERTIFICATIONS

1. Yes ☒ No ☐ All post petition taxes (tax obligations arising after the chapter 11 petition was filed] are currently paid or deposited.
2. Yes ☒ No ☐ All tax returns coming due post petition have been filed or extensions granted.
3. Yes ☒ No ☐ All administrative expenses [post petition obligations] other than taxes are current.
4. Yes ☒ No ☐ All insurance remains in full force and effect in accordance with Local Bankruptcy Rule No.4002-1(b)(1)(c).
5. Yes ☐ No ☒ New books and records were opened as of the petition date and are being maintained monthly and are current.
6. Yes ☒ No ☐ New DIP bank accounts were opened and are reconciled in accordance with Local Bankruptcy Rule No. 4002B1(b)(1).
7. Yes ☐ No ☒ Pre-petition bank accounts have been closed.
8. Yes ☒ No ☐ Prepetition debts [obligations due on or before the filing of the case] have not been paid since the filing of this case.
9. Yes ☒ No ☐ Prepetition debts [obligations due on or before the filing of the case have not been paid **this reporting period**.
10. Yes ☒ No ☐ The only transfers of property made during this period were transfers which were in the ordinary course of business.
11. Yes ☒ No ☐ Estate funds which are on deposit in banking institutions are fully covered by FDIC or FSLIC insurance of \$100,000.00.
12. Yes ☒ No ☐ Copies of the corresponding bank statements are attached for each open account.
13. Yes ☒ No ☐ If this report falls on the calendar quarter, the Debtor has paid the Chapter 11 quarterly fee.

IF THE ANSWER TO ANY OF THE CERTIFICATIONS ABOVE IS NO, PLEASE PROVIDE EXPLANATION ON SUPPLEMENT TO PART A.

SUPPLEMENT TO PART A:

EXPLANATION OF CERTIFICATION REFLECTED AS A NO@

1. **Postpetition taxes are not current or not deposited:** n/a
Type_____ and amount \$_____ unpaid or not deposited.
Type_____ and amount \$_____ unpaid or not deposited.
When will the Debtor bring these taxes current?
2. **Tax returns not filed:** n/a
3. **Administrative expenses [postpetition] other than taxes not current:** n/a
Type_____ and amount \$_____ unpaid.
Type_____ and amount \$_____ unpaid.
4. **Description of uninsured estate property, reasons why and steps implemented to obtain insurance:**
a. n/a
5. **Reason/explanation why new books and records have not been opened:**
Accounts were opened as soon as we knew to do so.
6. **Reason/explanation why new bank accounts have not been opened:**
Accounts opened as of 11/03/2009.
7. **Reason/explanation why old bank accounts have not been closed:**
This has been solved. We are preparing to ask court permission to keep open two accounts, the Bank of America depository account, this is the only bank big enough to service the two states where we are located, and Bank of North Carolina Operations account because we are having difficulty moving the American Express deposits.
8. **List all prepetition debts which were paid since the petition date including the name and address of the creditor paid, the amount paid, and the justification for the payment. [do not include payments to secured creditors or lessors under an adequate protection agreement.]**
9. **List all prepetition debts paid this reporting period in the format identified in #8 above:**

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF,**

PART C:

SUMMARY OF ACCOUNTS RECEIVABLE

(Debtor has no receivables other than as a part of its Merchant account)

	<u>Amount</u>
1. Beginning Balance	0.00
2. Shoes for Crews – Employee Shoes purchase	
3. Collections on Account - Employee payroll deuction	0.00
4. Ending Balance [Item #1 plus #2 minus #3]	0

STATUS OF COLLECTIONS:

	<u>Amount</u>
Current to 30 days	
31 to 60 days	\$ _____
61 to 90 days	\$ _____
91 to 120 days	\$ _____
121 days and older	\$ _____
TOTAL	\$ _____

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF**

PART D:

**SUMMARY OF ACCOUNTS PAYABLE
[EXCLUDING PREPETITION ACCOUNTS PAYABLE]**

	Amount
Current to 30 days	\$_32,166.35
31 to 60 days	
61 to 90 days	
120 days 121 days and older	
	<hr/>
TOTAL:	\$_32,166.35

If there are payables outstanding greater than 60 days, please provide explanation:

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH OF**

**Part E:
STATUS OF PAYMENTS TO SECURED CREDITORS**

1. Creditor Name: IRS
Was this creditor paid in full this month? NO
If not, was any amount paid to the creditor this month? \$40,000.00
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?
Creditor previously paid in full.

2. Creditor Name: SYSCO FOODS
Was this creditor paid in full this month? NO
If not, was any amount paid to the creditor this month?
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

3. Creditor Name:
Was this creditor paid in full this month?
If not, was any amount paid to the creditor this month? No. Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

4. Creditor Name:
Was this creditor paid in full this month? No.
If not, was any amount paid to the creditor this month? No. Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? No.
If not, how much is owed this creditor in missed or partial payments since the petition date?

5. Creditor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? _____ Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? _____
If not, how much is owed this creditor in missed or partial payments since the petition date?

6. Creditor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? _____ Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? _____
If not, how much is owed this creditor in missed or partial payments since the petition date?

[Attach a separate page for additional secured creditors]

11-26-2009-12-23-2009

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR ~~October 22, 2009~~ November 30, 2009

Part F:

STATUS OF PAYMENTS TO LESSORS

Provide the following information for all leases that have not been rejected:

1. Lessor Name: Nimboe Sag Hill
 Was this creditor paid a full payment this month? yes Amount: \$ 83,786.00
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid? yes
 If not, how much is owed this creditor in missed or partial payments since the petition date?

2. Lessor Name: Thase Sami
 Was this creditor paid a full payment this month? yes Amount: 700.00
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid?
 If not, how much is owed this creditor in missed or partial payments since the petition date?

3. Lessor Name: Edith Young
 Was this creditor paid a full payment this month? yes Amount: 2600.00
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid?
 If not, how much is owed this creditor in missed or partial payments since the petition date?

4. Lessor Name: SS Brassfield
 Was this creditor paid a full payment this month? yes Amount: 8191.34
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid?
 If not, how much is owed this creditor in missed or partial payments since the petition date?

5. Lessor Name: AC Jones
 Was this creditor paid a full payment this month? yes Amount: 8033.33
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid?
 If not, how much is owed this creditor in missed or partial payments since the petition date?

6. Lessor Name: Arey Ou
 Was this creditor paid a full payment this month? yes Amount: 5500.00
 If not, was any amount paid to the creditor this month? yes Amount: Date:
 Have all payments due to this creditor since the petition date been paid?
 If not, how much is owed this creditor in missed or partial payments since the petition date?

[Attach a separate page for additional lessors]

11-26-2009-12-23-2009

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR ~~October 22, 2009~~ - November 30, 2009

Part F:

STATUS OF PAYMENTS TO LESSORS

Provide the following information for all leases that have not been rejected:

1. Lessor Name: Water Tower Properties
 Was this creditor paid a full payment this month? yes Amount: \$ 9316.67
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? yes
 If not, how much is owed this creditor in missed or partial payments since the petition date?

2. Lessor Name: First South Leasing
 Was this creditor paid a full payment this month? yes Amount: 18268.28
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? _____
 If not, how much is owed this creditor in missed or partial payments since the petition date?

3. Lessor Name: AL Jones
 Was this creditor paid a full payment this month? no Amount: 0
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? _____
 If not, how much is owed this creditor in missed or partial payments since the petition date?
 _____ Restaurant Closed

4. Lessor Name: Flying Pigs
 Was this creditor paid a full payment this month? no Amount: 0
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? _____
 If not, how much is owed this creditor in missed or partial payments since the petition date?
 _____ Restaurant Closed

5. Lessor Name: Herbst
 Was this creditor paid a full payment this month? no Amount: 0
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? _____
 If not, how much is owed this creditor in missed or partial payments since the petition date?

6. Lessor Name: Freiberg
 Was this creditor paid a full payment this month? no Amount: 0
 If not, was any amount paid to the creditor this month? _____ Amount: _____ Date: _____
 Have all payments due to this creditor since the petition date been paid? _____
 If not, how much is owed this creditor in missed or partial payments since the petition date?

[Attach a separate page for additional lessors]

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT=
FOR THE MONTH OF 11/25/2009 – 12/23/2009_**

Part F:

STATUS OF PAYMENTS TO LESSORS

(None)

Provide the following information for all leases that have not been rejected:

1. Lessor Name: Erwin Properties
Was this creditor paid in full this month? N
If not, was any amount paid to the creditor this month? Yes. Amount: \$ Date: _____
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

2. Lessor Name: Hammer Investments
Was this creditor paid in full this month? N
If not, was any amount paid to the creditor this month? Yes. Amount: Date: _____
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

3. Lessor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? No. Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid?
If not, how much is owed this creditor in missed or partial payments since the petition date?

4. Lessor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? _____ Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? _____
If not, how much is owed this creditor in missed or partial payments since the petition date?

5. Lessor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? _____ Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? _____
If not, how much is owed this creditor in missed or partial payments since the petition date?

6. Lessor Name: _____
Was this creditor paid in full this month? _____
If not, was any amount paid to the creditor this month? _____ Amount: _____
Date: _____
Have all payments due to this creditor since the petition date been paid? _____
If not, how much is owed this creditor in missed or partial payments since the petition date?

**ATTACHMENT TO CHAPTER 11 MONTHLY REPORT
FOR THE MONTH**

PART G:

SUMMARY OF OFFICER/OWNER COMPENSATION AND PERSONNEL REPORT

1. Report all salaries received from or paid by the debtor to an owner or officer of the debtor.

☒ **Check here if same as last monthly report or provide the following information:**

<u>Name of Officer/Owner</u>	<u>Title</u>	<u>Amount of Compensation Authorized By the Court</u>	<u>Amount of Compensation Received this month</u>	<u>Date Approved</u>
David Hall	President		7,692.30	

**2. Personnel Report
(Counsel has not been provided with this information)**

☐ **Check here if same as last monthly report or provide the following information:**

	Full Time	Part Time
Total number of employees at beginning of the reporting period	96	525
Number hired during the period	0	16
Number terminate/resigned during period	62	36
Total number of employees at the end of the period	90	505

3. Report all payments made to professionals (i.e. accountants, attorneys, realtors) paid by the debtor:

<u>Name of Professional</u>	<u>Type of Service</u>	<u>Amount of Compensation</u>	<u>Amount of</u>	<u>Authorized Compensation Date (i.e. acct, satty, etc) By the Court Received Approved</u>
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BALANCE SHEET

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AS OF DEC 23, 2009

	CURRENT YEAR	LAST YEAR	YTD NET CHANGE AMOUNT	VAR %
ASSETS				
CURRENT ASSETS				
CASH ON HAND	23,923.00	21,731.77	2,191.23	10.1
CASH IN BANK	(38,846.02)	(7,157,910.59)	7,119,064.57	(99.5)
ATM FUNDING	.00	.00	.00	.0
ACCTS REC'BLE	.00	480,231.81	(480,231.81)	(100.0)
A/R AFFIL COM PACKAGE	.00	.00	.00	.0
NOTES RECV'BLE - OFFICER	.00	.00	.00	.0
NOTES RECV'BLE-SUBSIDIAR	.00	5,000.00	(5,000.00)	(100.0)
NOTES REC'BLE- AR OTHER	.00	7,943.33	(7,943.33)	(100.0)
NOTES RECIEVABLE-AFFILIATES	.00	.00	.00	.0
INVESTMENTS - GSO BATS	.00	.00	.00	.0
INTEREST REC'BLE	.00	.00	.00	.0
INVENTORY - FOOD	94,859.27	119,385.61	(24,526.34)	(20.5)
INVENTORY - BEER & WINE	58,281.98	69,968.05	(11,686.07)	(16.7)
INVENTORY - LIQUOR	33,092.76	35,947.07	(2,854.31)	(7.9)
INVENTORY - MENUS-APAREL	8,981.30	13,503.37	(4,522.07)	(33.5)
INVENTORY - PAPER	11,471.06	13,116.61	(1,645.55)	(12.5)
INVENTORY - SUPPLIES	7,950.31	8,766.44	(816.13)	(9.3)
INVENTORY - MIXER/BAR SUPPLY	10,098.75	10,380.47	(281.72)	(2.7)
PREPAID EXPENSE	634,635.39	780,530.20	(145,894.81)	(18.7)
N/R - FLYING PIGS	.00	.00	.00	.0
PREPAID STAFFING	7,944.22	25,072.06	(17,127.84)	(68.3)
TOTAL CURRENT ASSETS	852,392.02	(5,566,333.80)	6,418,725.82	(115.3)
FIXED ASSETS				
EQUIPMENT	5,453,293.72	5,666,845.28	(213,551.56)	(3.8)
BUILDING	.00	.00	.00	.0
LEASEHOLD IMPROVEMENTS	2,529,873.56	2,629,539.51	(99,665.95)	(3.8)
TRUCKS AND AUTOS	.00	.00	.00	.0
OFFICE EQUIPMENT	.00	.00	.00	.0
ACCUM. DEPRECIATION	(5,801,492.70)	(5,849,783.56)	48,290.86	(.8)
TOTAL FIXED ASSETS	2,181,674.58	2,446,601.23	(264,926.65)	(10.8)
OTHER ASSETS				
INVESTMENTS	.00	.00	.00	.0
LEASE BUY OUT	.00	(962.07)	962.07	(100.0)
GOODWILL	.00	.00	.00	.0
INVESTMENT - O&E	.00	.00	.00	.0
SECURITY DEPOSITS	64,415.95	48,811.95	15,604.00	32.0
OTHER ASSETS	.00	710.05	(710.05)	(100.0)
ORGANIZATION EXPENSE	.00	.00	.00	.0
GOODWILL IN SUBSIDIARY	.00	.00	.00	.0
LOAN COSTS	(479.75)	(3,941.96)	3,462.21	(87.8)

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HAM'S RESTAURANTS, INC.

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BALANCE SHEET

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AS OF DEC 23, 2009

	CURRENT YEAR	LAST YEAR	YTD NET CHANGE AMOUNT	VAR %
INVESTMENT STOCK	.00	.00	.00	.0
TOTAL OTHER ASSETS	63,936.20	44,617.97	19,318.23	43.3
TOTAL ASSETS	3,098,002.80	(3,075,114.60)	6,173,117.40	(200.7)

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BALANCE SHEET

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AS OF DEC 23, 2009

	CURRENT YEAR	LAST YEAR	YTD NET CHANGE AMOUNT	VAR %
LIABILITIES				
CURRENT LIABILITIES				
CMLTD - EIP/ALLSTATE	.00	.00	.00	.0
N/P CHYRSLE FIN 1999 JEEP	.00	.00	.00	.0
N/P FIRST UNION-NAVAGTOR	.00	.00	.00	.0
CMLTD - HP BANK	.00	.00	.00	.0
N/P - CAROLINA BANK	.00	.00	.00	.0
N/P - OFFICER - CBE	.00	.00	.00	.0
CMLTD-HP BANK	.00	.00	.00	.0
N/P - BBT	.00	.00	.00	.0
N/P - 706 EVANS ST	.00	.00	.00	.0
N/P IFH CMLTD	1,618,338.13	.00	1,618,338.13	.0
N/P - BNC - CREDIT LINE	.00	.00	.00	.0
N/P - BBT CAR NOTE	.00	.00	.00	.0
BNC LINE OF CREDIT	.00	.00	.00	.0
N/P - WATER TOWER DEVELOPMENT	.00	.00	.00	.0
N/P GMAC 04 CHEVY VAN	.00	.00	.00	.0
ACCOUNTS PAYABLE	6,051,939.41	4,212,812.80	1,839,126.61	43.7
SALES TAX PAYABLE	(78,711.14)	(3,944.38)	(74,766.76)	1895.5
ACCRUED SALARY/WAGES	229,787.64	.00	229,787.64	.0
ACCRUED SALARY/OFFICER	.00	.00	.00	.0
ACCRUED BONUS'	.00	.00	.00	.0
ACCRUED PAYROLL TAXES	37,617.78	(20,526.17)	58,143.95	(283.3)
ACCRUED PROPERTY TAXES	56,540.71	71,397.43	(14,856.72)	(20.8)
ACCRUED 401K PLAN	.00	.00	.00	.0
ACCRUED INTEREST	.00	.00	.00	.0
ACCRUED INSURANCE RSV	.00	.00	.00	.0
ACCRUED RENT ESC.	5,344.24	(22,638.61)	27,982.85	(123.6)
ACCRUED W/C ACCIDENT	.00	.00	.00	.0
INCOME TAXES PAYABLE	.00	.00	.00	.0
TOTAL CURRENT LIABILITIES	7,920,856.77	4,237,101.07	3,683,755.70	86.9
LONG TERM LIABILITIES				
LTD-HP BANK	.00	.00	.00	.0
LTD-EIP/ALLSTATE	.00	.00	.00	.0
LTD-HP BANK	.00	.00	.00	.0
N/P - CENTURA	.00	.00	.00	.0
N/P - C. FOLLEY/FIDELITY	.00	.00	.00	.0
N/P - IFH LTD	.00	.00	.00	.0
N/P BANK OF NC - LTD	.00	.00	.00	.0
NOTES PAYABLE - 3RD PARTY	5,479,528.79	.00	5,479,528.79	.0
TOTAL LONG TERM LIABILITIES	5,479,528.79	.00	5,479,528.79	.0
STOCKHOLDERS EQUITY				

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BALANCE SHEET

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AS OF DEC 23, 2009

	CURRENT YEAR	LAST YEAR	YTD NET CHANGE AMOUNT	VAR %
CAPITOL STOCK	525,760.17	525,760.17	.00	.0
TREASURY STOCK	.00	.00	.00	.0
RETAINED EARNINGS	(9,057,378.84)	(6,160,252.71)	(2,897,126.13)	47.0
TOTAL EQUITY	(8,531,618.67)	(5,634,492.54)	(2,897,126.13)	51.4
LIABILITIES & EQUITY	4,868,766.89	(1,397,391.47)	6,266,158.36	(448.4)
EQUITY RECONCILIATION				
SALES	21,504,551.85	23,701,950.80	(2,197,398.95)	(9.3)
MISC. INCOME	132,891.74	223,531.97	(90,640.23)	(40.5)
CURRENT INCOME	21,637,443.59	23,925,482.77	(2,288,039.18)	(9.6)
EXPENSES	23,408,207.68	25,603,205.90	(2,194,998.22)	(8.6)
TAXES	.00	.00	.00	.0
CURRENT EXPENSE	23,408,207.68	25,603,205.90	(2,194,998.22)	(8.6)
CURRENT RETAINED EARN.	(1,770,764.09)	(1,677,723.13)	(93,040.96)	5.5
TOTAL LIABILITIES/EQUITY	(3,098,002.80)	3,075,114.60	(6,173,117.40)	(200.7)

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HAM'S RESTAURANTS, INC.
PROFIT AND LOSS STATEMENT

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NOV 26, 2009 - DEC 23, 2009

	CURRENT PERIOD				YEAR TO DATE				YTD NET CHANGE	
	THIS YEAR	PCT	LAST YEAR	PCT	THIS YEAR	PCT	LAST YEAR	PCT	AMOUNT	VAR%
SALES										
FOOD SALES	941,344	69.8	1,129,792	70.0	15,476,531	72.0	16,993,335	71.7	1,516,804-	8.9-
BEER & WINE SALES	224,362	16.6	257,095	15.9	3,224,737	15.0	3,462,633	14.6	237,897-	6.9-
LIQUOR SALES	181,363	13.4	222,468	13.8	2,754,645	12.8	3,184,549	13.4	429,904-	13.5-
APPAREL SALES	2,416	.2	4,051	.3	48,639	.2	61,434	.3	12,795-	20.8-
GATE CITY BREWING SALES		.0		.0		.0		.0		.0
TOTAL SALES	1,349,485	100.0	1,613,406	100.0	21,504,552	100.0	23,701,951	100.0	2,197,399-	9.3-
COST OF SALES										
FOOD PURCHASES	297,211	22.0	351,650	21.8	5,141,616	23.9	5,589,971	23.6	448,355-	8.0-
BEER WINE PURCHASES	71,157	5.3	82,670	5.1	1,055,679	4.9	1,105,714	4.7	50,034-	4.5-
LIQUOR PURCHASES	34,470	2.6	42,680	2.6	595,641	2.8	680,100	2.9	84,459-	12.4-
APPAREL PURCHASES	439	.0	3,688	.2	38,245	.2	58,772	.2	20,527-	34.9-
PAPER PURCHASES	16,531	1.2	18,615	1.2	280,877	1.3	324,932	1.4	44,055-	13.6-
SUPPLY PURCHASES	16,208	1.2	19,906	1.2	251,163	1.2	261,910	1.1	10,747-	4.1-
MIXER/BAR SUPPLY	2,769	.2	5,851	.4	73,753	.3	121,536	.5	47,783-	39.3-
GRAIN PURCHASES	611	.0		.0	30,703	.1	25,384	.1	5,319	21.0
BREWHOUSE SUPPLIES		.0		.0		.0		.0		.0
CHANGES IN INVENTORY	45,984	3.4	26,206	1.6	23,147	.1	19,718	.1	3,429	17.4
TOTAL COST OF SALES	485,380	36.0	551,266	34.2	7,490,825	34.8	8,188,037	34.5	697,212-	8.5-
GROSS PROFIT	864,105	64.0	1,062,140	65.8	14,013,727	65.2	15,513,914	65.5	1,500,187-	9.7-
CONTROLLABLE EXPENSES										
OFFICER SALARY		.0		.0		.0		.0		.0
SUPERVISOR SALARY	22,615	1.7		.0	50,231	.2		.0	50,231	.0
CLERICAL SALARY	13,030	1.0		.0	30,367	.1		.0	30,367	.0
MANAGER SALARY	134,112	9.9	151,228	9.4	1,917,640	8.9	2,025,550	8.5	107,909-	5.3-
SWING MANAGER	6,644	.5	7,597	.5	128,032	.6	127,540	.5	492	.4
FRONT LABOR	75,587	5.6	81,505	5.1	1,093,933	5.1	1,284,038	5.4	190,105-	14.8-
KITCHEN LABOR	133,967	9.9	156,001	9.7	2,087,752	9.7	2,316,339	9.8	228,587-	9.9-
TRAINING LABOR	4,121	.3	4,424	.3	98,557	.5	164,179	.7	65,622-	40.0-
BREWMASTER	3,877	.3	3,877	.2	55,426	.3	49,842	.2	5,584	11.2
TOTAL LABOR COST	393,954	29.2	404,632	25.1	5,461,939	25.4	5,967,489	25.2	505,550-	8.5-
MANAGER BONUS	1,856	.1	1,333	.1	42,526	.2	48,421	.2	5,895-	12.2-
SUPERVISOR BONUS	557	.0		.0	557	.0		.0	557	.0
BONUS - OTHER	125	.0	150	.0	5,399	.0	1,297	.0	4,102	316.4
TOTAL BONUSES	2,538	.2	1,483	.1	48,482	.2	49,717	.2	1,235-	2.5-
FICA TAX	41,906	3.1	46,981	2.9	620,773	2.9	674,322	2.8	53,548-	7.9-

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PROFIT AND LOSS STATEMENT

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NOV 26, 2009 - DEC 23, 2009

	CURRENT PERIOD				YEAR TO DATE				YTD NET CHANGE	
	THIS YEAR	PCT	LAST YEAR	PCT	THIS YEAR	PCT	LAST YEAR	PCT	AMOUNT	VAR%
FUTA TAX	1,159	.1	3,288	.2	37,143	.2	43,681	.2	6,538-	15.0-
NCUI TAX	4,885	.4	3,031	.2	91,294	.4	110,066	.5	18,772-	17.1-
VAUI TAX	137	.0	37	.0	3,880	.0	1,904	.0	1,976	103.8
GROUP INSURANCE	16,577	1.2	8,564	.5	109,883	.5	119,331	.5	9,447-	7.9-
EMPLOYEE BENEFITS	60-	.0	93	.0	606-	.0	800	.0	1,406-	175.8-
W/COMPENSATION	7,112	.5	7,804	.5	101,581	.5	96,988	.4	4,593	4.7
W/C ACCIDENTS		.0		.0		.0		.0		.0
MANAGEMENT SIGNINGS	8,172	.6	6,677	.4	100,194	.5	43,100	.2	57,094	132.5
AUTO ALLOWANCE		.0		.0		.0		.0		.0
EMPLOYEE MEALS	12,685	.9	13,351	.8	197,840	.9	220,211	.9	22,371-	10.2-
PAID DAYS OFF	3,356	.2	4,086	.3	37,458	.2	33,376	.1	4,082	12.2
TOTAL FRINGES	95,929	7.1	93,911	5.8	1,299,441	6.0	1,343,778	5.7	44,337-	3.3-
PURCHASED SERVICES	11,321	.8	10,993	.7	146,777	.7	160,173	.7	13,396-	8.4-
BANK CARD FEES	23,157	1.7	23,741	1.5	311,716	1.5	327,623	1.4	15,907-	4.9-
LEASE PAYMENT EQUIP.	77	.0		.0	77	.0		.0	77	.0
CASH OVER/SHORT	376	.0	383	.0	3,480	.0	1,867	.0	1,613	86.4
HUMAN RESOURSE	1,834	.1	492	.0	12,960	.1	7,072	.0	5,888	83.3
CREDIT CHARGE BACKS	246	.0	162	.0	2,643	.0	2,034	.0	609	29.9
BAD CHECKS	40	.0		.0	888-	.0	131-	.0	757-	578.3
UNIFORMS & LAUNDRY	4,508	.3	4,712	.3	70,016	.3	95,345	.4	25,328-	26.6-
MYSTERY SHOPPER	1,123	.1	2,776	.2	36,100	.2	40,032	.2	3,932-	9.8-
CONTRIBUTIONS		.0	82	.0	4,108	.0	2,424	.0	1,684	69.5
STAFFING EXPENSE		.0		.0		.0	72	.0	72-	100.0-
OPERATING SUPPLIES	11,810	.9	10,282	.6	204,750	1.0	192,661	.8	12,088	6.3
SMALLWARES	1,990	.1	6,445	.4	70,289	.3	88,650	.4	18,362-	20.7-
R & M - EQUIPMENT	10,741	.8	15,284	.9	206,485	1.0	149,652	.6	56,833	38.0
R & M - BUILDING	11,622	.9	12,222	.8	212,414	1.0	218,659	.9	6,245-	2.9-
MISCELLANEOUS EXPENSE		.0	21	.0	1,589	.0	808	.0	781	96.7
BAD DEBT		.0		.0		.0		.0		.0
I H P	8,291	.6	7,228	.4	99,466	.5	130,240	.5	30,774-	23.6-
FOOD ERRORS	4,782	.4	6,525	.4	77,815	.4	100,678	.4	22,863-	22.7-
TOTAL MISC EXPENSE	91,919	6.8	101,350	6.3	1,459,798	6.8	1,517,859	6.4	58,062-	3.8-
ELECTRICITY	29,050	2.2	34,150	2.1	430,150	2.0	446,795	1.9	16,645-	3.7-
NATURAL GAS	23,675	1.8	26,625	1.7	337,525	1.6	343,953	1.5	6,428-	1.9-
TELEPHONE	8,220	.6	4,672	.3	61,328	.3	62,271	.3	942-	1.5-
TRASH REMOVAL	6,376	.5	7,171	.4	89,925	.4	87,120	.4	2,805	3.2
PEST CONTROL	748	.1	1,902	.1	15,620	.1	28,600	.1	12,980-	45.4-
BURGLAR ALARM	761	.1	452	.0	13,332	.1	11,446	.0	1,886	16.5
WATER & SEWER	7,885	.6	8,270	.5	106,740	.5	112,030	.5	5,290-	4.7-
TOTAL UTILITIES	76,715	5.7	83,242	5.2	1,054,621	4.9	1,092,214	4.6	37,594-	3.4-

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NOV 26, 2009 - DEC 23, 2009

	CURRENT PERIOD				YEAR TO DATE				YTD NET CHANGE	
	THIS YEAR	PCT	LAST YEAR	PCT	THIS YEAR	PCT	LAST YEAR	PCT	AMOUNT	VAR%
NEWSPAPER		.0		.0	1,200-	.0	2,516	.0	3,716-	147.7-
RADIO		.0		.0		.0		.0		.0
KIDS MEALS		.0		.0	51	.0	153	.0	102-	66.8-
DISCOUNT/COUPONS	26,722	2.0	10,047	.6	460,949	2.1	121,207	.5	339,742	280.3
BILLBOARDS	69	.0	69	.0	7,008	.0	18,542	.1	11,534-	62.2-
DIRECT MAIL		.0		.0	47,888	.2		.0	47,888	.0
REST. ENTERTAINMENT	42,523	3.2	47,199	2.9	592,739	2.8	618,887	2.6	26,148-	4.2-
PROMOTIONAL ITEMS	26,637	2.0	28,690	1.8	300,601	1.4	381,676	1.6	81,075-	21.2-
MEAL DEAL DISCOUNT	190	.0	107	.0	1,869	.0	3,676	.0	1,808-	49.2-
MISCELLANEOUS ADV	603	.0	852	.1	8,697	.0	11,734	.1	3,037-	25.9-
TOTAL ADVERTISING	96,744	7.2	86,963	5.4	1,418,601	6.6	1,158,391	4.9	260,211	22.5
TOTAL CONTROLLABLE	757,798	56.2	771,580	47.8	10,742,882	50.0	11,129,448	47.0	386,566-	3.5-
CONTROLLABLE NET INCOME	106,307	7.9	290,561	18.0	3,270,845	15.2	4,384,466	18.5	1,113,621-	25.4-
NON-CONTROLLABLE EXPENSE										
RENT	120,257	8.9	142,324	8.8	1,805,281	8.4	1,870,343	7.9	65,062-	3.5-
RENT ESCALATION		.0		.0	826	.0		.0	826	.0
RENT- OTHER	225	.0	120	.0	3,116	.0	1,022	.0	2,094	205.0
PROPERTY TAXES	12,362	.9	14,384	.9	182,976	.9	200,636	.8	17,660-	8.8-
AMORTIZATION L/H IMP	9,655	.7	9,422	.6	132,721	.6	127,543	.5	5,178	4.1
PROPERTY & LIAB. INSUR	9,627	.7	10,717	.7	135,917	.6	153,104	.6	17,188-	11.2-
COMMON AREA MAINT.	311	.0	311	.0	4,383	.0	5,897	.0	1,514-	25.7-
TOTAL OCCUPANCY	152,438	11.3	177,278	11.0	2,265,219	10.5	2,358,546	10.0	93,326-	4.0-
DEPRECIATION-EQUIP	18,433	1.4	30,562	1.9	275,193	1.3	404,873	1.7	129,680-	32.0-
LEASED EQUIPMENT	23,632	1.8	25,060	1.6	323,092	1.5	313,830	1.3	9,262	3.0
AMORT LEASE/GDWILL/NON		.0	373	.0	745	.0	5,807	.0	5,061-	87.2-
TRAVEL/SEMINARS	979	.1	188	.0	19,041	.1	17,487	.1	1,553	8.9
TRAVEL/OFFICERS		.0		.0		.0		.0		.0
VEHICLE EXPENSE	3,224	.2		.0	8,261	.0	656	.0	7,605	1158.6
DELIVERY TRUCK R & M		.0		.0		.0		.0		.0
DELIVERY TRUCK FUEL		.0		.0		.0		.0		.0
OFFICER INSURANCE		.0		.0		.0		.0		.0
LEGAL FEES		.0	1,709	.1	19,411	.1	24,150	.1	4,739-	19.6-
ACCOUNTING FEES		.0	855	.1	9,402	.0	11,379	.0	1,978-	17.4-
PROFESSIONAL FEES	360	.0	130	.0	1,005	.0	1,156	.0	151-	13.1-
CONSULTING FEES		.0		.0		.0		.0		.0
FREIGHT/POSTAGE	3,117	.2	885	.1	10,347	.0	38,292	.2	27,945-	73.0-
MANAGEMENT FEES		.0	161,341	10.0	1,714,748	8.0	2,369,623	10.0	654,874-	27.6-
BANK SERVICE CHARGES	3,385	.3	3,931	.2	53,899	.3	45,249	.2	8,649	19.1
SUBSIDIARY INTEREST		.0		.0	105,938	.5	154,483	.7	48,545-	31.4-
R & D EXPENSE		.0		.0	250	.0		.0	250	.0

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PROFIT AND LOSS STATEMENT

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NOV 26, 2009 - DEC 23, 2009

	CURRENT PERIOD				YEAR TO DATE				YTD NET CHANGE	
	THIS YEAR	PCT	LAST YEAR	PCT	THIS YEAR	PCT	LAST YEAR	PCT	AMOUNT	VAR%
INTEREST EXPENSE	3,390	.3	320	.0	23,470	.1	25,604	.1	2,133-	8.3-
PRIVILEGE LICENSE/TAX	6,954	.5	5,874	.4	119,632	.6	87,689	.4	31,943	36.4
LIABILITY INSURANCE	20	.0		.0	520	.0		.0	519	225813
									.0	.0
DUES/SUBSCRIPTIONS	948	.1	525	.0	6,360	.0	5,607	.0	753	13.4
PENALTIES		.0	289	.0	8,707	.0	10,986	.0	2,279-	20.7-
STAFFING EXPENSE		.0	16,134	1.0	108,239	.5	237,241	1.0	129,002-	54.4-
RELOCATION EXPENSE		.0		.0	95	.0		.0	95	.0
OPERATIONS EXPENSE		.0		.0		.0		.0		.0
GIFT CERTIFICATES	22,293-	1.7-	27,607-	1.7-	57,909	.3	132,077	.6	74,168-	56.2-
COMPUTER SUPPLIES		.0		.0		.0		.0		.0
ACCTG OFFICE SUPPLIES		.0		.0		.0		.0		.0
ENTERTAINMENT ESPENSE		.0		.0		.0		.0		.0
OFFICER OFFICE SUPPLIES		.0		.0		.0		.0		.0
OPERATIONS OFFICE SUPP		.0		.0		.0		.0		.0
OFFICE SUPPLIES	6,057	.4	2,247	.1	43,017	.2	40,704	.2	2,314	5.7
TOTAL OPERATING EXPI	48,204	3.6	222,817	13.8	2,909,282	13.5	3,926,895	16.6	1,017,613-	25.9-
TOTAL NON-CONTROLLABLE	200,642	14.9	400,095	24.8	5,174,501	24.1	6,285,441	26.5	1,110,940-	17.7-
NET OPERATING PROFIT	94,335-	7.0-	109,534-	6.8-	1,903,656-	8.8-	1,900,975-	8.0-	2,681-	.1
OTHER INCOME										
FRANCHISE INCOME		.0		.0		.0		.0		.0
MANAGEMENT FEES		.0		.0		.0		.0		.0
ACCOUNTING FEE INCOME		.0		.0		.0		.0		.0
LAUNDRY MAT INCOME		.0		.0		.0		.0		.0
REBATE INCOME		.0	8,356	.5	47,679	.2	114,393	.5	66,714-	58.3-
DISCOUNTS		.0		.0		.0		.0		.0
INTEREST INCOME		.0		.0		.0		.0		.0
MISCELLANEOUS INCOME		.0		.0		.0		.0		.0
VENDING INCOME	9,772	.7	6,873	.4	85,213	.4	109,139	.5	23,926-	21.9-
GAIN/LOSS SALE ASSETS		.0		.0		.0		.0		.0
TOTAL OTHER INCOME	9,772	.7	15,229	.9	132,892	.6	223,532	.9	90,640-	40.5-
PROFIT(LOSS) BEFORE TAXE	84,563-	6.3-	94,305-	5.8-	1,770,764-	8.2-	1,677,443-	7.1-	93,321-	5.6
PROVISION FOR TAXES		.0		.0		.0		.0		.0
NET PROFIT (LOSS)	84,563-	6.3-	94,305-	5.8-	1,770,764-	8.2-	1,677,443-	7.1-	93,321-	5.6

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> X </u>	Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$7,905.55
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		248,546.25
3 CASH BALANCE AVAILABLE [#1 plus #2]		256,451.80
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(233,302.92)
5 CASH BALANCE - CURRENT PERIOD		\$ 23,148.88

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 11,863.39
7 PLUS UNCLEARED DEPOSITS	11,285.49
8 LESS UNCLEARED CHECKS	0.00
9 RECONCILED BALANCE	\$ 23,148.88

BANK NAME
Bank of America

ACCOUNT NUMBER
'7856

NATURE
Deposit Acct

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

_____	Tax Account
_____	Payroll Account
_____X_____	Other - General Merchant Account

1 RECEIPTS

A	Sales	\$ 246,846.25
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account (#7869)	1,700.00
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 248,546.25</u>
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2 DISBURSEMENTS

A	Purchases of inventory	
B	Net Payroll	
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	
J	Automobile or vehicle expense	
K	Service Charges	
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	2,652.92
W	Quarterly Fee	
	Transfer to Bank of America PR acct #7869	230,650.00

TOTAL DISBURSEMENTS	<u>\$ 233,302.92</u>
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Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

	<div style="border-top: 1px solid black; border-bottom: 1px solid black; display: inline-block; padding: 2px 10px;">X</div>	Tax Account Payroll Account Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$2,316.98
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		364,650.00
3 CASH BALANCE AVAILABLE [#1 plus #2]		<div style="border-top: 1px solid black;">366,966.98</div>
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(398,782.69)
5 CASH BALANCE - CURRENT PERIOD		<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ (31,815.71)</div>

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ (7,370.90)
7 PLUS UNCLEARED DEPOSITS	0.00
8 LESS UNCLEARED CHECKS	<div style="border-top: 1px solid black;">(24,444.81)</div>
9 RECONCILED BALANCE	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ (31,815.71)</div>

BANK NAME
 Bank of America

ACCOUNT NUMBER
 7869

NATURE
 Payroll

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

	Tax Account
<u>X</u>	Payroll Account
	Other - General Merchant Account

1 RECEIPTS

A	Sales	
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account	364,650.00
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 364,650.00</u>
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2 DISBURSEMENTS

A	Purchases of inventory	
B	Net Payroll	396,895.47
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	
J	Automobile or vehicle expense	
K	Service Charges	
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	187.22
W	Quarterly Fee	
	Transfer to Other Accounts	1,700.00

TOTAL DISBURSEMENTS	<u>\$ 398,782.69</u>
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<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>NATURE</u>
Bank of America	7869	Payroll

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account		
	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> </u>	Other - General Merchant Account
	X	
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$60,768.60
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		294,091.25
3 CASH BALANCE AVAILABLE [#1 plus #2]		<u>354,859.85</u>
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(325,399.21)
5 CASH BALANCE - CURRENT PERIOD		<u>\$ 29,460.64</u>

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 48,642.43
7 PLUS UNCLEARED DEPOSITS	
8 LESS UNCLEARED CHECKS	<u>(19,181.89)</u>
9 RECONCILED BALANCE	<u>\$ 29,460.54</u>

BANK NAME
Bank of NC

ACCOUNT NUMBER
:0331

NATURE
AP

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

<u> </u>	Tax Account
<u> </u>	Payroll Account
<u> X </u>	Other - General Merchant Account

1 RECEIPTS

A	Sales	\$	160,271.25
B	Collection of postpetition accounts receivable		
C	Collection of prepetition outstanding credit cards		
D	Borrowing of Debtor		
E	Transfer from another account		133,820.00
F	Other income (describe on attachment)		
G	Less allowance for returns and discounts		

TOTAL RECEIPTS	\$	<u>294,091.25</u>
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2 DISBURSEMENTS

A	Purchases of inventory		
B	Net Payroll		
C	Payroll Taxes		119,130.23
D	Rent		
E	Other lease payments		
F	Utilities (Telephone, Electricity, Other)		
G	Sales Tax		131,449.21
H	Other Taxes		
I	Travel and Entertainment		
J	Automobile or vehicle expense		
K	Service Charges		
L	Vehicle Insurance		
M	Life and health insurance		
N	Other Insurance		
O	Supplies		
P	Freight		1,414.42
Q	Advertising		1,905.35
R	Repairs and Maintenance		
S	Payments to secured creditors		
T	Atty. Fees		
U	Other Expenses (describe on attachment)		
V	Bank Fees		
W	Quarterly Fee		71,500.00
	Transfers to Other Accounts		

TOTAL DISBURSEMENTS	\$	<u>325,399.21</u>
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Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> X </u>	Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		(\$48,289.13)
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		169,640.98
3 CASH BALANCE AVAILABLE [#1 plus #2]		121,351.85
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(130,608.88)
5 CASH BALANCE - CURRENT PERIOD		\$ (9,257.03)

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 23.68
7 PLUS UNCLEARED DEPOSITS	0.00
8 LESS UNCLEARED CHECKS	(9,280.71)
9 RECONCILED BALANCE	\$ (9,257.03)

BANK NAME
Bank of NC

ACCOUNT NUMBER
0125

NATURE
Onsite - Beer and Wine

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

_____	Tax Account
_____	Payroll Account
<u> X </u>	Other - General Merchant Account

1 RECEIPTS

A	Sales	
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account	169,640.98
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 169,640.98</u>
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2 DISBURSEMENTS

A	Purchases of inventory	\$ 100,093.70
B	Net Payroll	
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	15,595.00
J	Automobile or vehicle expense	
K	Service Charges	
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	2,932.76
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	11,987.42
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	
W	Quarterly Fee	

TOTAL DISBURSEMENTS	<u>\$ 130,608.88</u>
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Transfers from

Bank of NC - Operating	67,040.98
Bank of NC - AP	51,500.00
Bank of NC - Operating - New	49,600.00
Carter Bank	500.00
Crescent Bank	1,000.00

<u>169,640.98</u>

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> X </u>	Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$16,111.75
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		160,596.83
3 CASH BALANCE AVAILABLE [#1 plus #2]		176,708.58
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(129,233.64)
5 CASH BALANCE - CURRENT PERIOD		\$ 47,474.94

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 1,725.39
7 PLUS UNCLEARED DEPOSITS	45,749.55
8 LESS UNCLEARED CHECKS	0
9 RECONCILED BALANCE	\$ 47,474.94

BANK NAME
Bank of NC

ACCOUNT NUMBER
0315

NATURE
Operating

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

_____	Tax Account
_____	Payroll Account
<u> X </u>	Other - General Merchant Account

1 RECEIPTS

A	Sales	\$ 139,596.83
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account	21,000.00
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 160,596.83</u>
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2 DISBURSEMENTS

A	Purchases of inventory	
B	Net Payroll	
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	
J	Automobile of vehicle expense	
K	Service Charges	
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	172.66
W	Quarterly Fee	
	Transfers	129,060.98

TOTAL DISBURSEMENTS	<u>\$ 129,233.64</u>
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Transfers from

Bank of America	11,000.00
Bank of NC	10,000.00
	<u>21,000.00</u>

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> X </u>	Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$0.00
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		72,500.00
3 CASH BALANCE AVAILABLE [#1 plus #2]	<u>72,500.00</u>	
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]	<u>(108,240.81)</u>	
5 CASH BALANCE - CURRENT PERIOD	<u><u>\$ (35,740.81)</u></u>	

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ (9,128.40)
7 PLUS UNCLEARED DEPOSITS	0.00
8 LESS UNCLEARED CHECKS	<u>(26,612.41)</u>
9 RECONCILED BALANCE	<u><u>\$ (35,740.81)</u></u>

BANK NAME
Bank of NC

ACCOUNT NUMBER
0125

NATURE
Onsite - Beer and Wine

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

_____	Tax Account
_____	Payroll Account
<u> X </u>	Other - General Merchant Account

1 RECEIPTS

A	Sales	
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account	72,500.00
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 72,500.00</u>
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2 DISBURSEMENTS

A	Purchases of inventory	\$ 84,283.22
B	Net Payroll	
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	15,607.00
J	Automobile or vehicle expense	
K	Service Charges	
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	2,565.71
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	4,312.88
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	1,472.00
W	Quarterly Fee	

TOTAL DISBURSEMENTS	<u>\$ 108,240.81</u>
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Transfers from

Bank of NC - Operating	
Bank of NC - AP	
Bank of NC - Operating - New	72,500.00
Carter Bank	
Crescent Bank	

<u>72,500.00</u>

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account		
	<u> </u>	Tax Account
	<u> </u>	Payroll Account
	<u> X </u>	Other - General Merchant Account
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		(\$29,587.65)
2 TOTAL CASH RECEIPTS [On following page-Supplement to Part B-provide a description of the source and amount]		1,014,852.17
3 CASH BALANCE AVAILABLE [#1 plus #2]		<u>985,264.52</u>
4 DISBURSEMENTS [On following page-Supplement to Part B-provide a description of disbursements]		(1,068,769.78)
5 CASH BALANCE - CURRENT PERIOD		<u>\$ (83,505.26)</u>

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 1,472.58
	84099.85
7 PLUS UNCLEARED DEPOSITS	0.00
	9686.85
8 LESS UNCLEARED CHECKS	<u>(178,764.54)</u>
9 RECONCILED BALANCE	<u>\$ (83,505.26)</u>

BANK NAME
Bank of NC

ACCOUNT NUMBER
03125

NATURE
OPERATIONS - A/P

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

	Tax Account
	Payroll Account
X	Other - General Merchant Account

1 RECEIPTS

A	Sales	\$ 917,299.68
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account	69,100.00
F	Other income (describe on attachment)	28,452.49
G	Less allowance for returns and discounts	

TOTAL RECEIPTS \$ 1,014,852.17

2 DISBURSEMENTS

A	Purchases of inventory	\$ 158,633.14
B	Net Payroll	3,919.55
C	Payroll Taxes	85,631.66
D	Rent	118,127.34
E	Other lease payments	18,951.48
F	Utilities (Telephone, Electricity, Other)	99,705.06
G	Sales Tax	116,195.31
H	Other Taxes	3,078.00
I	Travel and Entertainment	0.00
J	Automobile of vehicle expense	3,443.43
K	Service Charges	89.00
L	Vehicle Insurance	0.00
M	Life and health insurance	57,194.96
N	Other Insurance	27,985.10
O	Supplies	0.00
P	Freight	516.16
Q	Advertising	5,600.00
R	Repairs and Maintenance	11,076.85
S	Payments to secured creditors	0.00
T	Atty. Fees	0.00
U	Other Expenses (describe on attachment)	96,033.74
V	Bank Fees	89.00
W	Quarterly Fee	
	TRANSFERS	262,500.00

TOTAL DISBURSEMENTS \$ 1,068,769.78

Transfers from

Bank of NC - Operating	
Bank of NC - AP	46,400.00
Bank of NC - Operating - New	
Bank of NC - ONSITE NEW	65,300.00
Bank of NC - ONSITE OLD	29,100.00
BOA	115,700.00
Carter Bank - RETURNED DEPC	6,000.00
Crescent Bank	

262,500.00

Ham's Incorporated
Period 13
11/26/2009 - 12/23/2009
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account			
	<u> </u>	Tax Account	
	<u> </u>	Payroll Account	
	<u> X </u>	Other - General Merchant Account	
1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT		\$4,452.83	34709
2 TOTAL CASH RECEIPTS		34,709.00	
[On following page-Supplement to Part B-provide a description of the source and amount]			
3 CASH BALANCE AVAILABLE		39,161.83	
[#1 plus #2]			
4 DISBURSEMENTS		(25,628.95)	
[On following page-Supplement to Part B-provide a description of disbursements]			
5 CASH BALANCE - CURRENT PERIOD		<u>\$ 13,532.88</u>	

SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 9,276.88	
7 PLUS UNCLEARED DEPOSITS	4,256.00	
8 LESS UNCLEARED CHECKS		28.95
9 RECONCILED BALANCE	<u>\$ 13,532.88</u>	

BANK NAME
Carter Bank

ACCOUNT NUMBER
0500

NATURE
Depository

25600

Ham's Incorporated
Period 13
11/26/2009 - 12/23/2009

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

	Tax Account
<u> X </u>	Payroll Account
<u> </u>	Other - General Merchant Account

1 RECEIPTS	4452.83	
A Sales		\$ 34,709.00
B Collection of postpetition accounts receivable		
C Collection of prepetition outstanding credit card	34709	
D Borrowing of Debtor		
E Transfer from another account		
F Other income (describe on attachment)		
G Less allowance for returns and discounts		

TOTAL RECEIPTS	\$ 34,709.00
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2 DISBURSEMENTS	-25628.95	
A Purchases of inventory		
B Net Payroll		
C Payroll Taxes		
D Rent		
E Other lease payments		
F Utilities (Telephone, Electricity, Other)		
G Sales Tax		
H Other Taxes		
I Travel and Entertainment		
J Automobile of vehicle expense	9276.88	
K Service Charges		
L Vehicle Insurance	4256	
M Life and health insurance		
N Other Insurance		
O Supplies		28.95
P Freight		
Q Advertising		
R Repairs and Maintenance		
S Payments to secured creditors		
T Atty. Fees		
U Other Expenses		
V Bank Fees		
W Quarterly Fee		
Transfers from Other Accounts (BOA Ops)		25,600.00

\$ 25,628.95

<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>NATURE</u>
Carter Bank	5202 9005 0500	Depository

Transfers from

<u>\$ -</u>

Ham's Incorporated
Period 13
11/26/09 to 12/23/09
PART B
Summary of Cash Receipts and Disbursements
Cash Activity Analysis

Nature / Type of Account

Tax Account

Payroll Account

Other - General Merchant Account

x

1 CASH BALANCE FROM PREVIOUS MONTH'S REPORT	\$6,654.96
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2 TOTAL CASH RECEIPTS	45,618.31
[On following page-Supplement to Part B-provide a description of the source and amount]	

3 CASH BALANCE AVAILABLE	52,273.27
[#1 plus #2]	

4 DISBURSEMENTS (44,117.72)
[On following page-Supplement to
Part B-provide a description of
disbursements]

5 CASH BALANCE - CURRENT PERIOD	\$ 8,155.55
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SUMMARY OF BANK ACCOUNT INFORMATION

6 TOTAL BANK BALANCE	\$ 6,270.35
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7 PLUS UNCLEARED DEPOSITS	1,885.20
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8 LESS UNCLEARED CHECKS	0.00
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9 RECONCILED BALANCE	\$ 8,155.55
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BANK NAME

Crescent State Bank

ACCOUNT NUMBER

2818

NATURE

Deposit Acct

Ham's Incorporated
Period 13
11/26/09 to 12/23/09

DESCRIPTION / ITEMIZATION OF RECEIPTS AND DISBURSEMENTS

Nature / Type of Account

<u> </u>	Tax Account
<u> </u>	Payroll Account
<u> X </u>	Other - General Merchant Account

1 RECEIPTS

A	Sales	\$ 45,618.31
B	Collection of postpetition accounts receivable	
C	Collection of prepetition outstanding credit cards	
D	Borrowing of Debtor	
E	Transfer from another account (#7869)	
F	Other income (describe on attachment)	
G	Less allowance for returns and discounts	

TOTAL RECEIPTS	<u>\$ 45,618.31</u>
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2 DISBURSEMENTS

A	Purchases of inventory	
B	Net Payroll	
C	Payroll Taxes	
D	Rent	
E	Other lease payments	
F	Utilities (Telephone, Electricity, Other)	
G	Sales Tax	
H	Other Taxes	
I	Travel and Entertainment	
J	Automobile or vehicle expense	
K	Service Charges	117.72
L	Vehicle Insurance	
M	Life and health insurance	
N	Other Insurance	
O	Supplies	
P	Freight	
Q	Advertising	
R	Repairs and Maintenance	
S	Payments to secured creditors	
T	Atty. Fees	
U	Other Expenses (describe on attachment)	
V	Bank Fees	
W	Quarterly Fee	
	Transfer to Other Accounts	44,000.00

TOTAL DISBURSEMENTS	<u>\$ 44,117.72</u>
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BANK NAME

Crescent State Bank

ACCOUNT NUMBER

,2818

NATURE

Deposit Acct

P.13 2009

ATTACHMENT TO CHAPTER 11 MONTHLY REPORT

CHAPTER 11 QUARTERLY FEES

1st Quarter

Disbursements for January, 2010: _____
Disbursements for February, 2010: _____
Disbursements for March, 2010: _____

Amount of Fee Due: _____
Amount Paid: _____

Total Disbursements for the 1st Quarter: _____

2nd Quarter

Disbursements for April, 2010: _____
Disbursements for May, 2010: _____
Disbursements for June, 2010: _____

Amount of Fee Due: _____
Amount Paid: _____

Total Disbursements for the 2nd Quarter: _____

3rd Quarter

Disbursements for July, 2010: _____
Disbursements for August, 2010: _____
Disbursements for September, 2010: _____

Amount of Fee Due: _____
Amount Paid: _____

Total Disbursements for the 3rd Quarter: _____

4th Quarter

Disbursements for October, 2009: 563,755.73
Disbursements for November, 2009: 145,080.13
Disbursements for December, 2009: 197,250.62

Amount of Fee Due: 10,400.00
Amount Paid: 10,400.00

Total Disbursements for the 4th Quarter: \$ 399,2809.48